

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS

FILED
Clerk
District Court
OCT 23 2023

for the Northern Mariana Islands
By JP
(Deputy Clerk)

JOSHUA GRAY,

Plaintiff,

v.

IMPERIAL PACIFIC INTERNATIONAL
(CNMI), LLC,

Defendant.

Case No. 1:19-cv-0008

**ORDER APPOINTING CLEAR
MANAGEMENT LIMITED AS LIMITED
RECEIVER FOR THE SALE OF IPI'S
PERSONAL PROPERTY**

On May 31, 2023, the Clerk entered judgment in favor of Plaintiff Joshua Gray against Defendant Imperial Pacific International (CNMI), LLC ("IPI") in the amount of \$5,686,182.20 plus pre-judgment interest, post-judgment interest, and attorneys' fees and costs, against IPI (ECF No. 226 (the "Judgment")). On July 3, 2023, since IPI did not pay the Judgment (or post a bond), Gray applied to this Court for a writ of execution against certain assets belonging to IPI. (ECF No. 231.) On August 16, 2023, the Court issued a writ of execution as requested by Gray (ECF No. 247 (the "Writ")) and the Clerk issued a Notice about the writ and informing IPI of its rights (ECF No. 248). On August 21, 2023, the U.S. Marshals Service ("USMS") filed a notice affirming that the writ was executed. (ECF No. 251.) Subsequently, Gray filed a petition for an order to show cause to appoint a limited receiver (ECF No. 254) given the inadequacy of a writ of execution to satisfy Gray's judgment. The motion was opposed by IPI (ECF No. 263) and proposed intervenor Century Estate Investment Ltd. (ECF No. 264). Gray filed a reply in response (ECF No. 267). A hearing was held on the matter on October 19, 2023, during which time the Court found Gray's arguments meritorious and therefore GRANTED

Gray's petition and appointed Clear Management Limited ("Clear") as a limited receiver ("Limited Receiver") to liquidate IPI's Personal Property. (Mins., ECF No. 274). The Court now issues this order appointing Clear as the Limited Receiver and establishing this limited receivership over IPI's personal property to fulfill the judgment in this matter.

GOOD CAUSE BEING SHOWN, the Court ORDERS the following:

The Court hereby appoints Clear, acting by and through its principal Timothy Shepherd, as the Limited Receiver to take effect on execution of this Order for the purpose of identifying, securing, and selling IPI's Personal Property.¹ Clear shall possess all the powers of a federal equity receiver and is vested with the power and authority provided under Fed. R. Civ. P. 66 and 69 as well as Local Rule 63.1 to perform all acts deemed necessary or prudent to comply with this Order. Below, the Court enumerates a non-exhaustive list of terms and conditions of this limited receivership.

A. General Provisions

1. The powers of the Limited Receiver shall include but are not limited to:

- a. Communicate *ex parte* with any relevant party, including Gray or other creditors of IPI, and any agents or representatives thereof;
- b. Enter any property where any of the IPI Personal Property is located or the Limited Receiver has reason to believe may be located;
- c. Perform or arrange any inspection or test of any of the IPI Personal Property;
- d. Take any action deemed necessary to protect and preserve the value of any of the IPI Personal Property, including by taking possession of that property, moving it to a safe

¹ Prior to issuing the Writ in this case, the Court previously issued a writ of execution pertaining to IPI's motor vehicles in the case *U.S.A. Fanter v. IPI*, No. 21-cv-0035 ("*Fanter I*"), ECF Nos. 37, 38. It was agreed by Gray and Fanter that Fanter will file a separate motion in the *Fanter II* case to appoint a limited receiver (also Clear) for the sale of the assets subject to the writ in that case. Therefore, the Limited Receivership established herein is not authorized to liquidate the motor vehicles subject to the writ of execution in *Fanter II*.

1 location, putting it in a sellable condition, arranging for security to prevent theft or
2 other damage, or purchasing insurance;

3 e. Authorize any individual or entity, including Gray and his attorney, to take any action
4 that the Limited Receiver itself is authorized to take;

5 f. Compel, take, and record evidence, including: requiring the production of documents
6 and other records from IPI and/or third-parties; and requiring responses to
7 interrogatories, admissions, or other information;

8 g. Take all reasonable steps, including conducting discovery or investigations, to identify
9 any additional personal property in the possession or control of IPI; and
10

11 h. Any other power that is reasonably necessary or prudent to effectuate the Limited
12 Receiver's purpose.
13

14 2. Neither Gray nor the Limited Receiver shall be responsible for the security of IPI's Personal
15 Property, and both shall be held harmless against any loss or damage to IPI's Personal Property, from
16 the date of this Order until any new owner takes possession of that property. Similarly, neither Gray
17 nor the Limited Receiver shall face any liability for any loss or damage caused by the bidders or buyers
18 of IPI's Personal Property, or any third parties contracted by them. Accordingly, neither Gray nor the
19 Limited Receiver shall be required to purchase any insurance related to IPI's Personal Property,
20 although they may choose to do so.
21

22 3. Neither Gray nor the Limited Receiver shall be required to post a bond in relation to the
23 appointment of the Limited Receiver or sale of IPI's Personal Property.
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25 **B. Limited Receivership Procedures and Compensation**

26 4. Within fourteen (14) days of the issuance of this Order, the Limited Receiver will perform a
27 thorough inspection to locate all of IPI's Personal Property, wherever located, to create an inventory
28 of all specific items in IPI's possession that it believes are subject to the Writ and that it intends to

1 sell. The inventory list will be filed with the Court via ECF. IPI shall then have seven (7) days to file
2 any objections. If IPI does not object within that period, or the Court overrules IPI's objection, then
3 Clear shall be permitted to auction the item and IPI will be precluded from objecting later.

4
5 5. The Limited Receiver shall have the option to sell any of IPI's Personal Property itself or to
6 contract with third-parties or specialists to sell any of IPI's Personal Property, such as the liquor or art
7 belonging to IPI, without further approval by this Court.

8
9 6. The Limited Receiver shall be paid a commission equivalent to 18% of the sale price for any
10 of IPI's Personal Property that is sold, and the Limited Receiver shall decide how that sum is split
11 with any contractors. The Limited Receiver will not be reimbursed for any expenses or costs incurred
12 in effectuating the sale of those items.

13
14 7. Sale shall generally be made to the highest bidder. However, the Limited Receiver and its
15 agents shall have discretion to establish terms or conditions for the sale, and all terms and procedures
16 for the bidding and/or auction, to help ensure the efficiency of the process, including by conducting
17 multiple auctions.

18 8. The Limited Receiver shall be empowered to decide that any sale will be "as is."

19
20 9. Any purchaser of IPI's Personal Property shall obtain that property "free and clear" and may
21 receive documents transferring title to that property executed by the Limited Receiver and/or IPI.

22
23 10. Pursuant to Local Rule 63.1(e), the Limited Receiver shall deposit any and all funds received
24 in a segregated, interest-bearing escrow account.

25
26 11. All sales of IPI's Personal Property shall be presented to the Court for approval and no closing
27 shall occur prior to the sale being confirmed by this Court.

28
12. Pursuant to Local Rule 63.1(g)(2), the Limited Receiver shall give all interested parties **at least ten (10) days' notice** of the time and place of hearings concerning petitions for confirmation of sales of property by filing a notice on ECF in this matter, or by any other means ordered by the Court. All

1 interested parties shall file any objection to the petition **no later than seven (7) days after receiving**
2 **notice**. A hearing shall be held **within fourteen (14) days of the filing** of the Limited Receiver's
3 petition for confirmation of sales of property.

4
5 13. After closing, the Limited Receiver shall file a closing report that sets forth the total proceeds
6 received, the Limited Receiver's and any other commissions, the resulting net proceeds, and the
7 proposed distributions of the monies collected. No funds shall be distributed without prior approval
8 from the Court.

9
10 14. The Limited Receiver may, as it sees fit, make numerous, intermittent motions to have sales
11 approved and to distribute the proceeds. The Limited Receiver is not required to wait until all items
12 are sold prior to seeking Court approval.

13 **C. IPI General Obligations**

14
15 15. IPI and any of its directors, officers, employees, representatives, or other agents are
16 ORDERED to cooperate with the Limited Receiver's efforts to comply with all obligations under this
17 Order, including but not limited to:

- 18 a. Providing all pertinent information and documentation relating to IPI's Personal
19 Property, including but not limited to, inventory lists, title documents, books and
20 records, invoices, insurance documents, warranties, tax returns, financial statements,
21 and any other items requested by the Limited Receiver;
22
23 b. Executing any documents necessary to provide the Limited Receiver with access to
24 IPI's Personal Property, transfer title of the property, or otherwise needed to effectuate
25 this Order;
26
27 c. Granting whatever access is requested by the Limited Receiver, or any entity or
28 individual that it designates, in order to effectuate its duties under this Order; and

1 d. Performing any other action reasonably requested by the Limited Receiver or
2 reasonably necessary to effectuate the purposes of this Order.

3 16. IPI shall ensure and fund the security of IPI's Personal Property until it is sold by the Limited
4 Receiver and delivered to the buyer. Within fourteen (14) days of the filing of the inventory list by the
5 Receiver, IPI shall file with the Court a sworn declaration and supporting evidence demonstrating its
6 compliance with this provision.
7

8 17. IPI and any of its directors, officers, employees, representatives, or other agents are restrained
9 and enjoined from (a) transferring IPI's interest, ownership, or control of any property, or
10 encumbering any of IPI's Personal Property subject to this Order, or (b) interfering in any way with
11 IPI's Personal Property that is the subject of this Order, without first seeking Court approval.
12

13 **D. Duration of Receivership**

14 18. The Limited Receiver shall serve until the earliest of: (a) the Limited Receiver requests to be
15 relieved and such request is approved by the Court; (b) ninety (90) days after the Limited Receiver
16 has submitted a notice of resignation to the Court; or (c) the Court removes and replaces the Limited
17 Receiver for good cause after notice and a hearing pursuant to Local Rule 63.1(g)(5).
18

19 **E. Continuing Jurisdiction**

20 19. Pursuant to Rule 66, "[a]n action in which a receiver has been appointed may be dismissed
21 only by court order." Fed. R. Civ. P. 66. The Court retains specific and continuing jurisdiction to
22 enforce the provisions of this Order, and to enter such further orders to effectuate the purposes of the
23 federal equity receivership. The Court additionally retains jurisdiction to enable any party, subject to
24 this Order, to apply to this Court at any time for further orders and directions as may be necessary or
25 appropriate to carry out or construe the Order, to modify any of its provisions, to enforce compliance,
26 and to punish violations of its provisions.
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IT IS SO ORDERED this 23rd day of October, 2023.



RAMONA V. MANGLONA
Chief Judge